

## DEPARTMENT OF LABOR

## Office of Labor-Management Programs

## 29 CFR Part 215

RIN 1294-AA14

## Guidelines, Section 5333(b), Federal Transit Law

**AGENCY:** Office of Labor-Management Programs, Office of the American Workplace, Labor.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Office of the American Workplace proposes to revise the guidelines concerning its procedures for administering Section 5333(b) of the Federal Transit law, commonly known as Section 13(c). These revised guidelines will replace the existing guidelines in their entirety. Section 5333(b) requires that certain protective arrangements for employees be in place as a condition of Federal financial assistance for transit projects. The proposed changes will allow the agency to certify that the requisite protections are in place in a more expeditious manner and will make the certification process more predictable for the parties involved.

**DATES:** Interested parties may submit written comments on this proposal by July 31, 1995.

**ADDRESSES:** Written comments should be submitted to Office of the American Workplace, U.S. Department of Labor, Room S-2203, 200 Constitution Avenue NW., Washington, DC 20210; phone number (202) 219-6045.

**FOR FURTHER INFORMATION CONTACT:** Charles L. Smith, Deputy Assistant Secretary, Office of the American Workplace, U.S. Department of Labor, 200 Constitution Avenue NW., room S-2203, Washington, DC 20210, (202) 219-6045. This is not a toll-free number.

**SUPPLEMENTARY INFORMATION:** Section 5333(b) of the Federal Transit law, 49 U.S.C. § 5333(b), requires that arrangements be made to protect certain rights of mass transit employees affected by grants of Federal funds for the acquisition, improvement, or operation of a transit system. These rights include the preservation of rights and benefits under existing collective bargaining agreements, the continuation of collective bargaining rights, the protection of individual employees against a worsening of their positions related to employment, assurances of employment to employees of acquired mass transportation systems, priority of reemployment, and paid training or retraining. The current guidelines were

introduced in March, 1978. In administering this program, the Department of Labor notifies relevant unions, if any, in the area of the proposed project and provides the grant applicant and the affected union(s) an opportunity to develop the terms and conditions of the protections. The Department provides technical and mediation assistance to the parties during the negotiations.

In the main, these guidelines have functioned effectively—the vast majority of grant applications are processed and the related employee protective arrangements certified within a short time. However, a small percentage of grants require prolonged negotiations to develop appropriate protective arrangements.

The Federal Transit law envisions the innovative, cost-effective use of Federal funds while assuring that the rights of affected employees are protected. In order to better achieve this goal, revised guidelines have been developed to standardize the certification process, thereby insuring certification of protective arrangements in a prompt manner after an application has been submitted.

**Administrative Notices***A. Executive Order 12866*

These guidelines have been reviewed by the Office of Management and Budget in accordance with Executive Order 12866.

*B. Regulatory Flexibility Act*

The Agency Head has certified that these guidelines are not expected to have a significant impact on a substantial number of small entities as defined in the Regulatory Flexibility Act.

*C. Paperwork Reduction Act*

These guidelines contain no information collection requirements for purposes of the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*).

**List of Subjects in 29 CFR Part 215**

Grant administration; Grants—transportation; Labor-management relations; Labor unions; Mass transportation.

Signed at Washington, DC this 23d day of June, 1995.

**Charles L. Smith,**

*Deputy Assistant Secretary, Office of the American Workplace.*

For the reasons set out in the preamble, 29 CFR Chapter II is proposed to be amended by revising Part 215 to read as follows:

**PART 215—GUIDELINES, SECTION 5333(b), FEDERAL TRANSIT LAW**

Sec.

215.1 Purpose.

215.2 General.

215.3 Employees represented by a labor organization.

215.4 Employees not represented by a labor organization.

215.5 Processing of amendatory applications.

215.6 The Model Agreement.

215.7 Department of Labor contact.

**Authority:** Secretary's Order No. 2-93, 58 FR 42578, August 10, 1993.

**§ 215.1 Purpose.**

(a) The purpose of these guidelines is to provide information concerning the Department of Labor's administrative procedures in processing applications for assistance under the Federal Transit law, as codified at 49 U.S.C. chapter 53.

(b) Section 5333(b) of title 49 of the United States Code reads as follows:

Employee protective arrangements.—(1) As a condition of financial assistance under sections 5307–5312, 5318(d), 5323(a)(1), (b), (d), and (e), 5328, 5337, and 5338(j)(5) of this title, the interests of employees affected by the assistance shall be protected under arrangements the Secretary of Labor concludes are fair and equitable. The agreement granting the assistance under sections 5307–5312, 5318(d), 5323(a)(1), (b), (d), and (e), 5328, 5337, and 5338(j)(5) shall specify the arrangements.

(2) Arrangements under this subsection shall include provisions that may be necessary for—

(A) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements or otherwise;

(B) the continuation of collective bargaining rights;

(C) the protection of individual employees against a worsening of their positions related to employment;

(D) assurances of employment to employees of acquired mass transportation systems;

(E) assurances of priority of reemployment of employees whose employment is ended or who are laid off; and

(F) paid training or retraining programs.

(3) Arrangements under this subsection shall provide benefits at least equal to benefits established under section 11347 of this title.

**§ 215.2 General.**

Upon receipt of copies of applications for Federal assistance subject to 49 U.S.C. 5333(b), together with a request for the certification of employee protective arrangements from the Department of Transportation, the Department of Labor will process those applications, which may be in either preliminary or final form. The application will describe the proposed

project in a manner which allows an adequate assessment of its impact, identify the labor organizations, if any, representing employees of mass transit providers in the area of the proposed project and describe what steps, if any, have been taken to develop the required employee protections.

**§ 215.3 Employees represented by a labor organization.**

(a)(1) If affected employees are represented by a labor organization, it is expected that where appropriate, protective arrangements shall be the product of negotiation, pursuant to these guidelines.

(2) In instances where states or political subdivisions are subject to legal restrictions on bargaining with employee organizations, the Department of Labor will utilize special procedures to satisfy the Federal statute in a manner which does not contravene state or local law. For example, employee protective terms and conditions, acceptable to both employee and applicant representatives, may be incorporated into a resolution adopted by the involved local government.

(b) Upon receipt of an application involving affected employees represented by a labor organization, the Department of Labor will refer a copy of the application to that organization and notify the applicant of referral.

(1) If an application involves only a capital grant for routine replacement of equipment of like kind and character and/or facilities of like kind and character, the procedural requirements set forth in paragraphs 215.3(b)(2) through 215.3(h) of these guidelines will not apply absent a potentially material effect on employees. Where no such effect is found, the Department of Labor will certify the application based on the terms and conditions as referenced in paragraphs 215.3(b)(2) and 215.3(b)(3)(ii) and (iii).

(2) For applicants with previously certified arrangements, the referral will be based on those terms and conditions.

(3) For new applicants and applicants for which previously certified arrangements are not appropriate to the current project, the referral will be based on appropriate terms and conditions specified by the Department of Labor, as follows:

(i) for operating grants, the terms and conditions will be based on arrangements similar to those of the Model Agreement (referred to also as the National Agreement);

(ii) for capital grants other than those for replacement equipment or facilities referenced in paragraph (b)(1) of this section, the terms and conditions will

be no less protective than those of the Special Warranty applied pursuant to section 5311; and

(iii) for grants under section 5311, the Special Warranty.

(c) Following referral and notification under paragraph (b) of this section, and subject to the exceptions defined in § 215.5, parties will be expected to engage in good faith efforts to reach mutually acceptable protective arrangements through negotiation within the time frames designated under paragraphs (d) and (e) of this section.

(d) As part of the Department of Labor's review of an application, a time schedule for case processing will be established by the Department of Labor and specified in its referral and notification letters under § 215.3(b) or subsequent written communications to the parties.

(1) Parties will be given fifteen (15) days from the date of the referral and notification letters to submit objections, if any, to the referred terms. The parties are encouraged to engage in negotiations during this period with the aim of arriving at a mutually agreeable solution to objections any party has to the terms and conditions of the referral.

(2) Within ten (10) days of its receipt of objections, the Department of Labor will:

(i) determine whether the objections raised are sufficient; and

(ii) take one of the two steps described in paragraphs (d)(5) and (6) of this section, as appropriate.

(3) The Department of Labor will consider an objection to be sufficient when:

(i) the objection raises material issues that may require alternative employee protections under 49 U.S.C. 5333(b); or

(ii) the objection concerns changes in legal or factual circumstances that materially affect the rights or interests of employees.

(4) The Department of Labor will consult with the Federal Transit Administrator for technical advice as to the validity of objections.

(5) If the Department of Labor determines that there are no sufficient objections, the Department will issue its certification to the Federal Transit Administrator.

(6) If the Department of Labor determines that an objection is sufficient, the Department, as appropriate, will direct the parties to commence or continue negotiations, limited to issues that the Department deems appropriate and limited to a period not to exceed thirty (30) days. The parties will be expected to negotiate expeditiously and in good faith. The Department of Labor may provide

mediation assistance during this period where appropriate. The parties may agree to waive any negotiations if the Department, after reviewing the objections, develops new terms and conditions acceptable to the parties. At the end of the designated negotiation period, if all issues have not been resolved, each party must submit to the Department its final proposal and a statement describing the issues still in dispute.

(7) The Department will issue a certification to the Federal Transit Administrator within five (5) days after the end of the negotiation period designated under paragraph (d)(6) of this section. The certification will be based on terms and conditions agreed to by the parties that the Department concludes meet the requirements of 49 U.S.C. 5333(b). To the extent that no agreement has been reached, the certification will be based on terms and conditions determined by the Department which are no less protective than the terms and conditions included in the referral pursuant to paragraphs 215.3(b)(2) and 215.3(b)(3).

(8) Notwithstanding that a certification has been issued to the Federal Transit Administrator pursuant to paragraph (d)(7) of this section, no action may be taken which would result in irreparable harm to employees if such action concerns matters subject to the steps set forth in paragraph (e) of this section.

(e) If the certification referred to in paragraph (d)(7) of this section is not based on full mutual agreement of the parties, the Department of Labor will take the following steps to resolve outstanding differences:

(1) The Department will set a schedule that provides for final resolution of the disputed issue(s) within sixty (60) days of the certification referred to in paragraph (d)(7) of this section.

(2) Within ten (10) days of the issuance of the certification referred to in paragraph (d)(7) of this section, and after reviewing the parties' descriptions of the disputed issues, the Department will define the issues still in dispute and set a schedule for final resolution of all such issues.

(3) The Department may establish a briefing schedule, usually allowing no more than twenty (20) days for opening briefs and no more than ten (10) days for reply briefs, when the Department deems reply briefs to be beneficial. In either event, the Secretary will issue a final certification to the Federal Transit Administrator no later than thirty (30) days after the last briefs are due.

(4) The Department of Labor will decide the manner in which the dispute will be resolved. In making this decision, the Department may consider the form(s) of dispute resolution employed by the parties in their previous dealings as well as various forms of third party dispute resolution that may be appropriate. Any dispute resolution proceedings will normally be expected to commence within thirty (30) days of the certification referred to in paragraph (d)(7) of this section, and the Secretary will render a final determination, including the bases therefor, within thirty (30) days of the commencement of the proceedings.

(5) The Department will make available final decisions it renders on disputed issues.

(f) Nothing in these guidelines restricts the parties from continuing to negotiate over final terms and conditions and seeking a final certification of an agreement that meets the requirements of the Act prior to the issuance of a final determination by the Secretary.

(g) If, subsequent to the issuance of the certification referred to in paragraph (d)(7) of this section, the parties reach an agreement on one or more disputed issues that meets the requirements of the Act, and/or the Department of Labor issues a final decision containing revised terms and conditions, the Department will take appropriate steps to substitute the new terms and conditions for those previously certified to the Federal Transit Administrator.

(h) Notwithstanding the foregoing, the Department retains the right to refuse to issue a certification where circumstances so warrant.

**§ 215.4 Employees not represented by a labor organization.**

(a) The certification made by the Department of Labor will afford the same level of protection to those employees who are not represented by labor organizations.

(b) If there is no labor organization representing employees, the Department of Labor will set forth the protective terms and conditions in the letter of certification in accordance with § 215.3(b)(2) and 215.3(b)(3).

**§ 215.5 Processing of amendatory applications.**

When an application is supplemental to or revises or amends in immaterial respects an application for which the Department of Labor has already certified that fair and equitable arrangements have been made to protect the interests of mass transit employees affected by the subject project the Department of Labor will on its own initiative apply to the supplemental or other amendatory application the same terms and conditions as were certified for the subject project as originally constituted. The Department of Labor's processing of these applications will be expedited.

**§ 215.6 The Model Agreement.**

The Model (or National) Agreement mentioned in paragraph (b)(3)(i) of

section 215.3 refers to the agreement executed on July 23, 1975 by representatives of the American Public Transit Association and the Amalgamated Transit Union and Transport Workers Union of America and on July 31, 1975 by representatives of the Railway Labor Executives' Association, Brotherhood of Locomotive Engineers, Brotherhood of Railway and Airline Clerks and International Association of Machinists and Aerospace Workers. The agreement is intended to serve as a ready-made employee protective arrangement for adoption by local parties in specific operating assistance project situations. The Department has determined that this agreement provides fair and equitable arrangements to protect the interests of employees in general purpose operating assistance project situations and meets the requirements of 49 U.S.C. 5333(b).

**§ 215.7 Department of Labor contact.**

Questions concerning the subject matter covered by this part should be addressed to Statutory Programs, Office of the American Workplace, U.S. Department of Labor, suite N5411, 200 Constitution Avenue NW., Washington, DC 20210; phone number 202-219-4473. (Secretary's Order 2-93, 58 FR 42578, August 10, 1993.)

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